RJR Co-Marketing Program Summary

The following is a brief summary to utilize in preparing and presenting RJR's new accrual program. It is intended for quick reference. You should reference detailed correspondence sent from ROU or contact management if you have ideas, questions or need additional clarification.

WHO: Qualified Convenience/Gas and Supermarket Locations

WHAT: RJR full price brands, with focus on **Camel** and **Winston Select** brand styles. Focus is also on pack promos to generate trial by competitive smokers. **DO NOT** use with RJR supplied promos. Some ideas for getting account involved as our partner:

- free drink w/purchase
- free newspaper w/purchase
- free coffee mug w/purchase
- free donut w/purchase
- buydown (utilize with multi-pack offers whenever possible)

These are only a few examples. Please share your ideas and programs, so we can build upon them! Don't discount your judgement. Remember keep it simple, cheap and easy for the retailer to work (because we want them to do it).

WHERE: Pack Outlets with RJR merchandising programs/elements

- Full Price Display
- Savings Display
- Enhanced Presence / Signage

Carton Outlets with RJR merchandising programs

- Pack Merchandising (must be self-service)
- Savings cartons with price signage
- Full price cartons with price signage

Only use in accounts where we have price parity, sufficient distribution, and in no other way is RJR at a competitive disadvantage. IF WE ARE ,WE MAY WANT TO RE-THINK WHY WE HAVE CONTRACTS WITH THE ACCOUNT!

Source: https://www.industrydocuments.ucsf.edu/docs/mjpm0000

HOW: Via signed contract with accounts (contracts/grids attached)
- RJR pays base rate (according to volume)
- Retailer can voluntarily match 50% of base rate (not mand.)
- RJR will match retailer's match
- If retailer participates in the match the final result is a doubling of the base rate
- Payment can be made in several ways:
  * Via draft - the month following the end of the promotion (April promo paid in May)
  * Via voucher - request payment thru ROU (for chains, etc.)
- Funds are earned by month and executed by quarter
- **IMPORTANT** - funds must be used in following quarter. Unspent funds will **NOT** carry over to a second quarter.

WHEN: Effective 1/1/94. All contracts signed in 1st quarter 1994 will be dated 1/1/94. Program runs into 1st quarter 1995.
- Accumulate Accrual Funds during 1st quarter 1994
- Establish promotion for each account during 2nd quarter (1 promotion per quarter, running 1-4 weeks depending on promotion, work 1/2 pack deals).

Accrual contracts signed after 1st quarter will follow normal contract guidelines (ie: signed before 15th backdated to 1st, signed after 15th dated 1st of following month)

WHY: To help build RJR volume in an effective, cost efficient manner (retailer match address' this) at the expense of competition.
- Address' local market / individual store needs and opportunities.
- Leverages and strengthens RJR's merchandising, contractual and promotional programs against competitive programs (ie: PM's Flex Fund).

OTHER: Pack and carton contracts are attached for your review. SIS tables are also attached for your reference when submitting 7101s.

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